

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 323-1263

August 8, 1985



ALL-COUNTY INFORMATION NOTICE I-63-85

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: AID TO FAMILIES WITH DEPENDENT CHILDREN - FOSTER CARE (AFDC-FC)  
GROUP HOME RATE CONTROL SYSTEM

Provisions of AB 2695 (Chapter 977, Statutes of 1982) require the Department of Social Services (DSS), with the advice, assistance and cooperation of the counties and foster care providers, to develop and implement a new system whereby the levels of group home rate increases can be effectively controlled. Regulations to implement a new rate control system became effective July 1, 1985, and will be used in setting Fiscal Year 1985-86 rates.

The major elements of the regulations include:

1. A description of four program peer group models and a requirement that all group home programs be classified into one of the four groups associated with these models.
2. A flat licensed occupancy factor, 85 percent, to be used in the rate-setting calculation.
3. Rate ceiling levels to control rate increases. Assuming it is justified by their allowable costs in the prior calendar year,
  - a. Programs with rates above the eighty-fifth percentile of per child rates within their program peer groups will be allowed an increase of one half of the percentage increase included in the Budget Act for the AFDC-FC group home cost-of-living adjustment (COLA).
  - b. Programs with rates below the eighty-fifth percentile will be allowed an increase up to the budgetary COLA.
  - c. Programs with rates still below the fifteenth percentile after the COLA increase will be allowed, to the extent that funds are available, an additional increase up to the fifteenth percentile of their program peer groups.

4. Appeal provisions for providers who believe their programs have been incorrectly classified.

Operations Policies and Procedures (OPP) Section 11-402.164 of the regulations requires counties to report to DSS, upon request, their understanding of the services offered by specific programs. This information may be needed by DSS for the classification of programs into one of the four program peer groups and in responding to requests for reviews and appeals concerning classifications. Some counties may have been contacted already by DSS staff to obtain such information. However, in the interest of keeping this requirement limited and making the classification process expeditious, DSS is requesting that each county designate a specific contact person who can be phoned for the specific information required. By designating a single individual and limiting this function as much as possible to phone contacts, DSS believes that this requirement will not place a significant burden on the counties. Please submit the name and phone number of the individual designated by September 1, 1985 to:

Department of Social Services  
Foster Care Rates Bureau  
744 P Street, Mail Station 5-400  
Sacramento, CA 95814

Attention: Ms. Charr Lee Metsker

If you have any questions, please contact Mr. Douglas K. Johnson or Ms. Charr Lee Metsker, Foster Care Rates Bureau, at (916) 323-1263.

*for Robert A. Horel*  
for ROBERT A. HOREL  
Deputy Director

cc: CWDA